19

THE MEMORIAL

OF

HENRY D. GILPIN, JOHN T. SULLIVAN, AND PETER WAGER, OF PENNSYLVANIA, AND HUGH M'ELDERRY, OF MARYLAND,

DIRECTORS OF THE BANK OF THE UNITED STATES,

Appointed by the President, by and with the advice and consent of the Senate.

Digitized by the Internet Archive
in 2018 with funding from
This project is made possible by a grant from the Institute of Museum and Library Services as administered by the Pennsylvania Department of Education through the Office of Commonwealth Libraries

https://archive.org/details/memorialofhenryd00bank

To the Senate and House of Representatives of the United States of America in Congress assembled.

The Memorial of Henry D. Gilpin, John T. Sullivan, and Peter Wager, of Pennsylvania, and Hugh M'Eldery, of Maryland, Directors of the Bank of the United States, appointed by the President, by and with the advice and consent of the Senate, respectfully shows—

Selected by the president and senate, as directors of the Bank of the United States, we have endeavoured, during the present year, faithfully to discharge the duties of that responsible trust. Appointed without solicitation, deriving from the office no emolument, we have been guided in our conduct by no views but a determination to uphold, so far as was in our power, those principles which we believe actuated the people of the United States in establishing a national bank, and in providing by its charter that they should be represented at the board of directors. We have regarded that institution, not as a source of profit to individuals, but as an organ of the government, established by the nation for its own benefit. We have regarded ourselves, not as mere agents of those whose funds have been subscribed towards the capital of the bank, but as officers appointed on behalf of the American people. We have endeavoured to govern all our conduct as faithful representatives of them. We have been deterred from this by no preconcerted system to deprive us of our rights, by no impeachment of our motives, by no false views of policy, by no course of management which might be supposed to promote the interests of those concerned in the institution, at the danger or sacrifice of the general good. We have left the other directors to govern themselves as they may think best for the interests of those by whom they were chosen. For ourselves, we have been determined, that where any differences have arisen, involving on the one hand, that open and correct course which is beneficial to the whole community, and on the other, what are supposed to be the interests of the bank—our efforts should be steadily directed to uphold the former, our remonstrances against the latter should be resolute and constant, and, when they proved unavailing, our appeal should be made to those who were

more immediately intrusted with the protection of the public welfare.

In pursuing this course we have been met by an organized system of opposition, on the part of the majority. Our efforts have been thwarted, our motives and actions have been misrepresented, our rights have been denied, and the limits of our duties have been gratuitously pointed out to us, by those who have sought to curtail them to meet their own policy, not that which we believe led to the creation of the offices we hold. Asserting that injury has been done to them by the late measure of the secretary of the treasury, in removing the public deposites, an elaborate statement has been prepared and widely circulated, and taking that as their basis, it has been resolved by the majority to present a memorial to the senate and house of representatives. We have not and do not interfere in the controversy which exists between the majority of the board and the executive department of the government—but unjustly assailed as we have been, in this statement, the language and manner of which were alike uncalled for, we respectfully claim the same right of submitting our conduct to the same tribunal, and asking of the assembled representatives of the American people, that impartial hearing, and that fair protection which all their officers, and all citizens have a right to demand. We shall endeavour to present the view we have taken of the relation in which we are placed, as well towards the institution in question, as towards the government and people of the United States—to prove that from the moment we took our seats among the directors of the bank, we have been the objects of a systematic opposition—our rights trampled upon, our just interference prevented, and our offices rendered utterly useless, for all the purposes required by the charter—and to show that the statements by the majority of the board, in the document to which we refer, convey an account of their proceedings and conduct altogether illusory and incorrect.

It has pleased the majority of the board of directors, in the document to which we refer, in order, we suppose, in some degree to extenuate their conduct in systematically nullifying the representatives of the government and people, to deny that the public directors are seated at the board in any other relation than themselves—to deny the existence of any difference in the official character and duty of themselves and us. This extraordinary denial, in the face of all experience, of the familiar history of the country, and of palpable reasoning, must rather be ascribed to the presumption which moneyed power is apt to inspire, than to the ignorance or wilful misrepresentation of those who make it. Nothing can be plainer, than that the public directors were devised as instruments for the attainment of public objects; that their being insisted upon in the charter itself, was in obedience

to the will of those who elected the legislative body by which it was passed ; and that their appointment was given to the president, with the advice and consent of the senate of the United States (not to the mere fiscal representative), in order to clothe them with all the character of official representation, and to exact from them a discharge of all the duties, public, political, and patriotic, incident to a trust so conferred. If we are mistaken in this, we acknowledge that our solicitude about the rights and morals—the practical purity and freedom of our countrymen—has misled us. But we know that we are not.

In the celebrated report of Alexander Hamilton, in 1790, that eminent statesman and financier, although then impressed with a persuasion, that the government of the country might well leave the management of a national bank, to "the keen, steady, and, as it were, magnetic sense of their own interest," existing among the private stockholders, yet holds the following remarkable and pregnant language. "If the paper of a bank is permitted to insinuate itself into all the revenues and receipts of a country ; if it is even to be tolerated as the substitute for gold and silver, in all the transactions of business ; it becomes, in either view, a *national concern of the first magnitude.* As such *the ordinary rules of prudence* require that the GOVERNMENT should possess *the means of ascertaining,* WHENEVER IT THINKS FIT, *that so delicate a trust is executed with fidelity and care.* A RIGHT of this nature is not only desirable as it respects the government, but it ought to be equally so to all those concerned in the institution, as an additional title to public and private confidence, and as *a thing which can only be formidable to practices that imply mismanagement.*"

In the letter addressed by Alexander James Dallas, the author of the existing bank, to the chairman of the committee on a national currency, in 1815, the sentiments of that truly distinguished and patriotic statesman are explicitly conveyed upon this very point. "Nor can it be doubted," he remarks, "that the department of the government which is invested with the power of appointment to all the important offices of the state, is a proper department to exercise the power of appointment in relation to *a national trust of incalculable magnitude.* The national bank ought not to be regarded simply as a commercial bank. It will not operate on the funds of the stockholders alone, but much more on the funds of the nation. Its conduct, good or bad, will not affect the corporate credit and resources alone, but much more the credit and resources of the government. In fine, it is not an institution created for the purposes of commerce and profit alone, but much more *for the purposes of national policy, as an auxiliary in the exercise of some of the highest powers of the government.* Under such circumstances, *the public interests cannot be too*

cautiously guarded, and the guards proposed can never be injurious to the commercial interests of the institution. The right to inspect the general accounts of the bank, may be employed to detect the *evils of a mal-administration,* but *an interior agency in the direction of its affairs will best serve to prevent them.*" This last sentence, extracted from the able document of secretary Dallas, develops at a glance what had been the experience of the American government and people, in the period which elapsed between the time of Alexander Hamilton and that immediately preceding the formation of the present bank. Hamilton conceived that "a right to inspect the general accounts of the bank," would enable government "to detect the evils of a mal-administration," and their *detection* he thought sufficient. He was mistaken. At least so thought congress and their constituents in 1815. Hence the inflexible spirit which prevailed at the organization of a new bank, in establishing "an interior agency in the direction of its affairs," by the appointment of public officers, through whom the evils of a mal-administration might be carefully watched and prevented.

In the progress of legislation on the bank thus projected by secretary Dallas, the character and purposes of the public direction were still more fully developed, and uniformly insisted on. When a leading opponent of the administration of Mr. Madison, moved to strike out so much of the charter, then under consideration, as gave to the president and senate the power of appointing five directors, he was resolutely and successfully met with the declaration and argument, "that it was *necessary,* as well *to guard the public interest,* as *to secure a just administration of the affairs of the bank as regarded the public,* that a proportion of the direction should be appointed by the government." "That the true policy in the creation of a bank, is to give it a double character; to combine in it the elements of public and private interest, but *to secure to the former a control over the latter;* for *the government which creates this institution is responsible for its fulfilment of the great objects of its creation,* and it is wiser to use means of precaution, than to rest upon ultimate measures of severe correction." "The *interest of this bank should be made subservient to the interest of the public—of the people;* and hence he wished *some control in its direction.*" They did not "want merely *a great money machine,* but *an institution of a national character,* and therefore could not consent to part with those features in the bill, which gave *the government a proper and necessary control over the bank.*"

It is useless to extend these views. They were almost unanimously avowed, at the adoption of the charter, to be those on which public directors—selected and confirmed by the president and senate, to represent the government and people at the board

—were deemed by the legislators whose votes created the institution, an absolute condition of their consent. The bank would never have had being, unless accompanied by public sentinels, to detect, expose, or prevent "the evils of mal-administration;" to act as checks upon the cupidity and corrupt ambition springing from "a keen and magnetic sense of self-interest;" to stand between the rights, and liberties, and morals of the community, and the encroachments of "a great money machine"—a power alike base in its modes of persuasion, and formidable in the mystery and extent of its operations.

And yet we are now told, with a hardihood which nothing but the pride of the purse can explain, that the public directors, thus devised for national purposes, thus designated by the highest national authority, thus invested as national officers with national trusts and responsibilities, have no other attributes or duties than the other directors—and their remonstrances are treated with scorn, proportionate to *the numerical ascendancy* of the private representatives of the stockholders. In other words, public and national agents, to whom has been confided "a national trust of incalculable magnitude," who have been selected by the highest appointing power known to the American republic, must bring down the great principles on which they should act, and trim the enlarged and patriotic motives which ought to actuate representatives of the people, so as to square with the selfish purposes of mercenary pursuit, or the secret aspirations of an ambitious moneyed conclave. Yes! The bank has the boldness to claim coequality with the nation; to assert and to exercise, as far as it can, the right of silencing and despising the legally constituted public functionaries of the nation; to disregard the organs and representatives of the people; and thus, in the fulness of money-pride and pretension, utterly to set at nought the people themselves.

A case parallel to our's has never yet been exhibited in this country. It is the case of a subordinate corporation, spurning at and virtually discarding the agents of those by whom it was created; paying no sort of respect to the exalted public sources whence their appointment immediately emanates; denying the true nature of their trusts; and nullifying by preconcert and pretence, the law of the land and its ministerial officers. Individually and personally this arrogant and unequalled proceeding, conducted under the semblances of official forms, cannot affect us; we are in fact relieved by it from many labours, irksome, painful, and unprofitable; made silent and useless by the force of a majority, we are freed from much responsibility and care. But to our constituents—to the American nation and people, the example is of vast, and we believe, vital interest; and to them and for them, we feel it a duty to make the statement which we now

submit to their assembled representatives. With them alone it remains to decide whether they will assert the supremacy of the law ; support their public agents in the discharge of their duties; and confine within its proper sphere of subordination and real usefulness, an institution, created, not for its own, but their benefit.

We now proceed to lay before congress, the history of those transactions on the part of the majority of the directors of the Bank of the United States, which are the foundation of the preceding remarks, and have called forth this statement.

On the 8th of January 1833, having been appointed directors, by the president of the United States, three of us attended the first meeting of the board, two being residents of the city of Philadelphia. On the appointment of the standing committees, to whom the preparation and consideration of a great deal of the most important business is assigned, and who consist altogether of *thirteen* persons, neither of us was appointed, on any one committee—thus evincing, by the very earliest acts of the president and the board, as we could not fail to perceive, a determination to deprive us of the best means of information in regard to the nature of its proceedings.

This measure was followed, very shortly after, by another, to be ascribed only to the same cause. Being specially summoned, on the evening of the 29th of January, a long and elaborate report was submitted, by the committee on exchange, in answer to certain inquiries of the chairman of the committee of ways and means of the house of representatives. Nearly three weeks had been employed in its preparation—its reading occupied upwards of an hour—it embraced various important statements of facts—it exhibited views, some of which we considered partial if not erroneous, in regard to the conduct of the institution and the officers of the treasury—and much of it was entirely new to us, as it must have been to several others of the directors who had been but a short time members of the board. After a single reading, a motion was made for its immediate transmission to Washington. We asked for time to examine it before it was thus adopted. We requested the delay even of a week, or a few days, for this purpose. We knew that no public object required such unusual precipitation. Our motion was promptly rejected. The report was ordered to be transmitted, and a very large number of copies printed for immediate circulation.

We very soon found, however, that this system of conducting the most important affairs by committees, from which we were excluded, was not merely occasional. It was, as we discovered, regularly practised, in violation of the spirit, if not the letter of the charter, which declares that not less than seven directors shall be necessary to the transaction of business; and which

intrusts it to a board properly chosen and appointed. We found also, that this plan, the effect of which was to transfer from the board to a few members so much power and authority, was extended even to the disposal of the funds of the stockholders—a branch of business which certainly ought not to be exercised, except by the full representation of their interests, required by the charter; and which, otherwise conducted, has involved and must involve the institution in transactions from which it is difficult to withdraw without loss.

It was not long before we had a practical instance of the operation of this unwise, if not illegal deviation from the mode authorized and contemplated by the charter and by-laws. On the 22d of March, we observed from the books laid before the board, that a note of Messrs. Gales and Seaton remained due and unpaid, and that it had not been protested. The by-law of the bank declares in express terms, that "if a bill or note be not paid on the last day of grace, it shall be forthwith protested." The omission to comply with this law appeared to us particularly extraordinary, when we ascertained that the debt, of which this was part, had been allowed to increase within a few years from $11,000 to upwards of $80,000; that this large sum was principally on security of an unusual, and we believe doubtful, character—much of it on acceptances of draughts drawn by the same parties, on certain trustees, holding funds received from congress, for an edition of state papers—that even these funds were also partially appropriated as security for other objects, and that the acceptances, being in themselves conditional, the neglect of protest was rendered still more singular, both in relation to the security of the bank, and to the right of notice which was due to the persons who might be called on for the payment. It appeared too, at the same time, that the account in question, then was, and since the month of November preceding had been, repeatedly overdrawn to a considerable amount. We thought it due to the whole board, that the reason on which such a deviation from the rules of the bank had been made, should be ascertained and recorded. On calling their attention to the facts, it was resolved, on the motion of another director, and *without a dissenting voice*, that the account in question should be referred to "a special committee of seven, including the three resident government directors"—thus admitting us, for the first time, into a participation of the business of the committees. After the unanimous adoption of this resolution, so just and proper in itself, it was with no small surprise that we heard at the very next meeting of the board, three days after, and before the account in question had been looked at by the committee, a motion introduced and voted for by all present, except ourselves and the mover of the original resolution, by which it was alto-

gether rescinded. Nor was this all. It appeared, by the books of the bank, that, while the special committee for investigating this account was actually in existence, the committee on exchange had themselves undertaken to renew the very note, the neglect to protest which had led to its appointment, and the only reason assigned was, an understanding previously made to that effect. Nor did the committee on exchange stop here. At the same time, although another by-law of the bank declares, in express terms, that "no person while he remains an overdrawer shall have a note or bill discounted"—they did discount for the same persons a further sum of $2,500, and this on security of the most unusual kind. It consisted of their order, on the clerk of the house of representatives, "for the amount which *would be due* to them, for the second part of volume sixth of the Register of Debates, say for five hundred copies, twenty-five hundred dollars, *when authorized by the House as heretofore.*" On this order, the clerk declined putting any acceptance, *as the work had not been subscribed for*, though, as he said, "he did not doubt of its being ordered," but he stated that if the order was lodged with his paying clerk, he would pay the money, when due, *to the proper person.*" We remonstrated against loans made in so unusual a manner, but in vain. We tried to ascertain something of the actual value of the state paper fund, pledged as it already was, for other purposes, but there did not appear to be any documents from the clerk of the house of representatives, or from the trustees, which gave any thing like a definite statement of the amount which the bank could calculate upon receiving. We endeavoured to induce the board to commence the reduction of so large a debt, and to obtain, at any rate, a partial payment from the funds received from congress. All these efforts were, however, quite unavailing. When the notes were offered for renewal, we were repeatedly assured that the debt would be reduced, yet month after month passed away, and it still remained little if at all diminished.

On the 20th of September, six months after the adjournment of congress, when, it was understood, they were to receive large sums of money for the works which they were printing, we observed that the books laid before the board showed that the account was actually increased since that time, and we offered the following resolution to effect at least a small and gradual reduction:—

"Resolved, That a reduction of five per cent. be made on all their paper offered hereafter for renewal; and that the cashier so inform them; and that none be made without such reduction."

This resolution, notwithstanding the moderate and gradual reduction contemplated by it; notwithstanding the curtailment then making in the loans to the community in general; notwithstand-

ing the expectations of a diminution in this account, repeatedly held out; and notwithstanding the unusual character and uncertain value of the security for it—was rejected, even without consideration. We then requested, that at least such renewals as should be made by the committee on exchange, might be reduced to this small extent—this also was rejected. But the matter was not allowed to rest here. Instead of the notes being afterwards presented to the board for renewal, in the usual course of business, they have been, in repeated instances, submitted to the committee on exchange, and, according to the books laid before the board, they have been done by that committee, on days when the board was actually in session. Nay more—it appeared, by the credit book, that a note of $ 7,500 was due on the 25th of September; on the day preceding, being a regular discount day of the board, we requested that, if offered for renewal, the note might be then submitted to the board. This was rejected; yet it appears by the same book, that on the same day, namely, the 24th of September, the note was renewed, we presume by the committee on exchange.

Shortly after the resolution referred to, placing us expressly on a committee, one of us was appointed on the committee on the offices, and another of us on that on the state of the bank—from that on exchange, by which the powers of the board have been as we have seen virtually assumed, we continued to be excluded. When the committees were last appointed, we were again removed from them all.

The committee on exchange, we observed, was appointed by the president alone, and it was evident that, organized as it was, and assuming the power it did, the directors became in a great degree useless, and the interests of the institution and the money of the stockholders, were so far placed beyond their control. Its formation, too, was in direct opposition to the by-laws, which provided that the committee having the business of exchange under its care, as well as that attending daily at the bank, "should be selected from the board in rotation"—a just arrangement, acted on until within a few years, and enabling all the directors from time to time to participate in the action on matters which they had all been selected to superintend. Being satisfied that this arrangement was altogether the proper one, both in regard to the safe disposal of the funds of the stockholders, and to the legitimate performance of their duties by the directors, we were desirous of restoring it in practice. We therefore offered the following resolutions:—

"Whereas it is proper that the ordinary business of the board, should not be transacted by a smaller number of directors than that required by the charter, and the business of discounts can

be conveniently transacted, as heretofore it has been, at the meetings of the board,—

"Therefore, resolved, That the duties of the committee on exchange shall not extend to the business of discounts—that the committee on exchange shall, after the expiration of the present month, consist of three directors residing in Philadelphia, to be selected, as prescribed by the existing by-laws, monthly, from the board, in rotation, and that the president and cashier shall be united with them." These resolutions were at once laid upon the table by a vote of the majority, and we could not obtain their adoption.

But this mode of appointment by the president alone, and this assumption of power by the committee on exchange, were not merely contrary to the spirit of the charter and the letter of the by-laws. In assuming to discount notes on days intervening between the meetings of the board, and not unfrequently on days when it did meet, the committee on exchange acted in direct opposition to two recorded decisions of the board, by the last of which, no longer since than in 1830, on an application from the office at Charleston to give these same powers to a committee, the inexpediency of doing so was declared in the most explicit terms. When the application was made, it was referred to the standing committee on the offices. They reported against it without hesitation, and on general principles, applicable to the whole institution. "The subject," they say, "of discounts by committees has frequently engaged the attention of the board, who have always felt and expressed great repugnance to such a practice, to which in fact much of the losses of the board may be ascribed. The committee on the offices still entertain that opinion, and they think that the better course to be pursued, in regard to the present suggestion, is that adopted on the 31st of October 1823, on a similar application from the office at Boston. They accordingly recommend the adoption of the following resolution—that the president be requested to communicate to the president of the office at Charleston, *the unwillingness of this board to adopt the plan of making discounts of notes by a committee, that being the proper business of the board organized as such;* but in order to give every proper facility to business, the board perceives no objection to more frequent and even daily meetings of the board, which could take place for a short time at a particular hour of every day." To this correct decision, the reasoning of which appears to us unanswerable, made nearly ten years ago, and deliberately reconsidered and renewed six years afterwards, we referred. We pointed it out still standing on the minutes, and we asked that its principles might be adhered to. All, however, was without effect. Finally, that the

subject might be brought more fully to the consideration of the directors, we offered the following resolution—

"*Resolved*, that the cashier be instructed to lay before the board, any resolution rescinding that passed on the 2d of February 1830, which declares the inexpediency of discounts being done by committees; and any resolution altering the rule of the by-laws which directs the appointment of the committee attending at the bank, monthly in rotation, and which, as appears by the minutes, was complied with up to 1828." This resolution also, was at once laid upon the table by a vote of the majority, and we could not obtain its adoption.

Our remonstrances, however, were not without effect. They led to a determination on the part of the majority to give some sanction to their course, by adopting new rules, and abolishing those long in existence. A new set of by-laws was prepared in accordance with the actual practice. They were submitted to the board in the month of April last. When they were under consideration, we requested "that the standing committees might be appointed from the board in rotation"—this was rejected, and the president was authorized himself to select the two of most importance, that on the offices and that on exchange. We then requested that the powers of the committee on exchange "might not be extended to the business of discounts"—this too was rejected. Desirous that if these powers were thus to be exercised by a committee, selected by the president, the other directors might at least be regularly informed of its proceedings, we then requested that they "should lay before the board, at every stated meeting, a statement of their proceedings, which should be read before the discounts of the day were settled"—this too was rejected. All these being refused, we requested, that among the business of the day, the board might have submitted and read to it, a "report of the *final* proceedings of the committee," since the previous stated meeting—this too was rejected. In a word, the system of late years acted upon, was formally sanctioned by a majority of the board. It is now a portion of its by-laws, as before it was of its practice.

In the month of April, we received a letter from the president of the United States,* calling our attention to rumours which had come to him, relative to the proceedings of the board, and requiring us to give him such information in regard to them, as was within our knowledge as directors. We were all of opinion that the course deliberately pursued by the majority, had already rendered our services as public agents nearly inefficient. In reply to his letter, therefore, we stated to him such circumstances as had been the subject of discussion and action by the board,

* Appendix 1.

and we suggested to him the propriety of an official investigation into its proceedings. We were convinced that such interposition had become necessary, if it was desirable that the officers of the government should any longer participate in, or be acquainted with the most important acts of the institution.*

Strengthened by the changes in the by-laws, to which we have referred, the committee on exchange has continued to assume the most important powers of the board, and no control whatever can be exercised either to prevent or to remedy what they may choose to do. On the 16th of August, we perceived a striking instance of the extent of authority they assumed. We observed that, a week before, a single loan of no less than $ 100,000 was made by the committee, to one person, without any authority from the board—although it had been in session that very day—although the proposition for the loan must have been made before the meeting of the board, for it was submitted to the committee by its chairman immediately on the adjournment—and although the board had, on the same day, refused good mercantile paper. When we made inquiry, we ascertained that the loan was not in fact done for the person whose name was entered on the books, but for a bank of which he was a director, and on account of a large debt then due from it to the Bank of the United States, the regular payment of which was thus postponed. We cannot doubt that the board would have refused this proposal, had it been submitted to them—but however that might have been—the assumption of such a power, exercised in such a manner, by the committee, is not to be sanctioned unless the other members of the board have become utterly useless.

Another instance was lately exhibited of the injustice arising from this unlimited and irresponsible power of the committee on exchange. The policy adopted by the board has caused curtailments in the loans to the community to a great extent. These ought at least to be general in their operation. Yet on a loan for a very large sum, secured on stock, being offered for renewal on the 8th of November, all reduction was refused on the ground that it had been originally made by the committee on exchange, some years before, for an indefinite period, and that the faith of the bank was therefore pledged for its continuance. These resolutions—passed three years since, at a time when there was great abundance of money, "authorized the committee on exchange to loan large sums on approved collateral securities." Assuming, by virtue of these, a power which we believe the board never intended to confer, they have thus entered, it seems, into contracts which will extend to the termination of the charter, if not beyond it. These contracts, too, so far as we can learn, were

* Appendix 2.

not reduced to writing—in fact the notes themselves were drawn at the usual short periods. It is now at least apparent that these proceedings were at variance with the true policy of the institution, and that they operate unequally on the community, whose interests ought to be impartially consulted.

Yet, however objectionable may be this disposal of funds and exercise of power, without the knowledge and assent of the board, it has not been limited to the committee on exchange. When, at the end of the month of July last, the dividend committee met, one of us, being a member of it, observed accidentally amidst the other accounts, that for the expenses of the institution. Among the charges were several, to a large amount, so stated as to make it impossible for him to understand the character of the expenditure, but he thought it such as to render it our duty to institute an inquiry, and if necessary, to call the attention of the board to the subject. In this opinion we were strengthened by a request, received from the president of the United States, that we should "state to him all the information and knowledge in regard to these accounts which we might have acquired in the discharge of our duty as directors."* We stated to the president of the bank, our wish, as directors, to examine the accounts in question, and at his suggestion, did so in the room of the cashier. We found the accounts kept in such a manner, that it was altogether impossible to ascertain from them the particulars of many large expenditures. The book, in which they were entered, was never, within our knowledge, exhibited to the board, and their nature was probably unknown to most if not all the directors. They embraced, especially under the head of stationary and printing, payments, the character of which did not appear in the account, but which, when examined, were found to be for very large disbursements to printers and publishers of newspapers. Nor was this all—there were charges to a large amount, stated to be for payments on orders of the president, and for these there were no vouchers but the orders themselves. The authority on which these extraordinary expenditures were alleged to be made, was a resolution of the board, on the 30th of November, 1830, authorizing the president "to take such measures in regard to the circulation of the contents of an article on Banks and Currency, published in the American Quarterly Review, either in whole or in part, as he might deem most for the interest of the bank;" and another on the 11th of March 1831, authorizing him "to cause to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the bank."

The existence of these resolutions had been unknown to us,

* Appendix 3.

and probably to many other members of the board; yet a large sum *had been expended under them*, during the very six months just elapsed—*while we were members of the board, without our concurrence or even the slightest knowledge on our part, that such expenditures were made.*

Having ascertained, as far as the manner of keeping this account enabled us to do, the extent to which these expenditures had been carried, we called the serious attention of the board to the subject, at the very next meeting. We stated to them the examination we had made, and the unexpected result that had arisen from it, limited as it was. However general the expressions of the resolutions might be, it never could have been contemplated by the directors, that such enormous and unusual expenditures should be made for an indefinite period—and, above all, that they should be made in such a manner, as to preclude any knowledge on the part of the board of their real nature and extent, until long after they were incurred. Besides this, there was nothing, as we conceived, in the words of the resolutions, that justified the disbursements by the president of the bank, to the amount of about twenty thousand dollars, without exhibiting receipts and accounts thereof. Such a system was entirely unauthorized by the stockholders, and ought, we believed, to be immediately discontinued, by an express direction of the board, if it was conceived that it was allowed by the resolutions in question. However much it might destroy the rights of the directors, to confer upon a committee of exchange, selected by the president, the most important powers of the board, as we saw lately done by the alterations of the by-laws—it seemed to us infinitely more dangerous to the interests of the institution, thus to allow the president to expend their money for an indefinite time and unlimited amount—and in a manner which virtually excluded the board from any knowledge of the object, and the extent of the disbursements, if not altogether, certainly until long after they had been made. We believed, and still believe, that to permit such a system to pass unnoticed, would have been a gross dereliction from our duty as representative agents—if sustained, it ought at least to be sanctioned by the stockholders and the public—not to depend on the votes of a board of directors.

But it was not only the character of this expenditure to which we called the attention of the board. Its amount, when the avowed object was taken into consideration, was, as we believed, altogether excessive. The expenditure during the last six months of the year 1829, under the head of printing and stationary, had been only $ 3765 94; in the first six months of 1830, it had been $ 7131 27; and in the last six months of the same year $6950 20; making a total, during the whole of that period, of $ 17847 41,

and an average expenditure, for each half year, of $5949 13. The expenditure of the next two years, under the same head, appeared to be during

the first half year of 1831,	$29979 92
the last half year of 1831,	13224 87
the first half year of 1832,	12134 16
the last half year of 1832,	26543 72

making a total, during the whole of that period, of $81882 67; and an average expenditure for each half year of $20470 66. It was impossible for us to imagine that such an enormous difference in expenditures, under a single head of the expenses of the institution, prolonged too throughout the years 1831 and 1832, could have been contemplated, or was to be justified by the resolutions passed, in such vague terms, so long before. If they were, it was certainly time that disbursements so large, and for purposes so unusual, should be brought more immediately before the board.

The next point to which we called the attention of our colleagues, was the entire impossibility that existed, of ascertaining with any certainty, and without great trouble, the real nature of the expenditures in question—either in regard to the persons to whom the money was ultimately paid, or the amount and nature of the work actually done. So far as regarded the money expended by the president, this was evidently the case, for we could discover no entries or vouchers in regard to it, except general statements that it was expended on his order, under the resolutions referred to. But even where entries of particular payments did appear, in the book, they were so short and general as to afford no knowledge of those particulars. The vouchers, consisting of numerous bills and receipts, could not be examined without difficulty. Some of the payments were evidently made to persons not engaged in printing or publishing. Among the publications, were "extras and editorial articles of newspapers," "speeches of members of congress," "addresses to members of the state legislatures," "remarks on the veto"—and others which were notoriously of a political character, and such as, we believe, neither the stockholders nor the directors, had they previously known it, would have desired or directed to be circulated at their expense. We, therefore, conceived it to be a matter of duty on the part of the board, both with regard to their own conduct, and to the wishes of their constituents, that the particulars of these expenditures should be so clearly exhibited, in the accounts of the bank, as to be susceptible of ready and full examination.

From the extensive authority we knew to be assumed, under these resolutions, we were disposed to believe that similar expenditures might have been made at the offices, and that these

disbursements, under the head of stationary and printing, large as they were, might not be all that had been made; at any rate we believed the fact to be one that the board would at least be willing and even desirous to ascertain.

In conclusion, we urged on the board the propriety of rescinding resolutions, under which a power so indefinite and so susceptible of being carried beyond the intentions of those who granted it, was claimed and exercised. If even right or justifiable, the publications had been now all made, and if the system was to be prolonged, it ought to be done by the open authority of the stockholders.

That our sentiments on these points might be fully known—that it might be seen we had explicitly called the attention of the board to them all—that it might appear to the stockholders and the public, that as soon as this system was discovered, we desired to have it exhibited to them in its full extent, and in the most accurate shape—and that we might record our efforts to suppress it, we offered, on the same day, the 16th August, the following statement and resolutions, so framing them, as to obviate, we thought, every objection, and submit the matter, as it now stood, in the clearest light, for more careful investigation and more deliberate action.

"Whereas it appears, by the expense account of the bank for the years 1831 and 1832, that upwards of eighty thousand dollars were expended and charged under the head of stationary and printing, during that period; that a large proportion of this was paid to the proprietors of newspapers and periodical journals, and for the printing, distribution, and postage of immense numbers of newspapers and pamphlets; and that about twenty thousand dollars were expended, under the resolutions of 30th November, 1830, and 11th March, 1831, without any account of the manner in which, or the persons to whom the same were disbursed.

"And whereas it is expedient and proper, that the particulars of an expenditure so large and unusual, which can now be ascertained only by the examination of numerous bills and receipts, should be so stated as to be readily submitted to and examined by the board of directors and the stockholders.

"Resolved, That the cashier furnish to the board, at as early a day as possible, a full and particular statement of all these expenditures, designating the sums of money paid to each person, the quantity and names of the documents printed by him, and his charges for the distribution and postage of the same; together with as full a statement as may be, of the expenditures on orders, under the resolutions of 30th November, 1830, and 11th March, 1831.

"That he ascertain whether expenditures of the same charac-

ter have been made at any of the offices, and if so, procure similar statements thereof, with the authority on which they were made.

"That the said resolutions be rescinded, and no further expenditures be made under the same."

Whatever sentiments might have been entertained, as to the propriety of the resolutions of the 30th of November, 1830, and 11th of March, 1831,—or of the expenditures made by virtue of them—or of the manner in which they were made—or of the mode in which the accounts and entries of them had been previously kept, it appeared to us, and still appears, that the resolutions directing a full statement of them to be prepared by the proper officer of the bank, and an inquiry as to their extent, ought to have met with no opposition. We expected none, but we were disappointed. The same systematic determination already so often displayed, was still evinced. Several of the directors admitted their ignorance of the existence of the resolutions in question, as well as of the expenditures under them. More than half of the present directors were not so at the times they were passed. The propriety of the resolutions—or the power assumed under them—or the great excess of expenditure they had led to —or their expediency—or the necessity of their continuance, might have afforded some reason at least for deliberation. Even the request by us, as members of the board, for the statements mentioned in our resolutions, might have been sufficient ground that they should be furnished; or that the accounts should be examined; or that the subject itself should be taken into careful consideration. It was not so. Our resolutions were scarcely read, when the following substitute for them was proposed.

"Resolved, That the board have confidence in the wisdom and integrity of the president, and in the propriety of the resolutions of the 30th of November, 1830, and 11th of March, 1831, and entertain a full conviction of the necessity of a renewed attention to the object of those resolutions—and that the president be authorized and requested to continue his exertions, for the promotion of that object."

We were scarcely prepared for a course like this. Not only was all investigation refused—not only was our request for a statement of the expenditures denied—but on the instant, without even calling for or looking at the account to which we referred—without examination and without delay, a settled purpose was thus exhibited to continue and increase the expenditures—to conduct them in the secret and irresponsible way heretofore adopted—and to preserve in the accounts the same obscurity which already existed. But the majority did not rest here. Our remonstrances against a system of proceeding, adopted under resolutions of the board, believed by us to be unwise and illegal, was encountered by a reference to the personal character

and motives of the president of the institution, which had never been drawn into discussion. Our resolutions had not called them in question. We had demanded an investigation of the official transactions of a public institution, of which we were officers; we had remonstrated against them as unauthorized by the charter and wrong in themselves; and we had endeavoured to prevent their continuance. Was it an answer, to speak of the wisdom and integrity of its chief officer, to which we had not alluded?

Thus denied the statements we had asked for, in regard to the general expenditures referred to, we offered the following resolutions, limiting our request to those for which we could discover no vouchers whatever, and to any subsequent proceedings under the original resolutions of the board.

"Resolved, That while this board repose entire confidence in the integrity of the president, they respectfully request him to cause the particulars of the expenditures, made under the resolutions of the 30th of November, 1830, and 11th of March, 1831, to be so stated, that the same may be readily submitted to and examined by the board of directors and the stockholders.

"Resolved, That the said resolutions be rescinded, and no further expenditures made under the same."

These, like our previous resolutions, were promptly rejected; the substitute was passed by the votes of all present, except ourselves and one other member of the board; the system was resolutely adhered to, in defiance of our remonstrances; a statement of the expenditures, prepared by the proper officer, and asked for by us, was deliberately refused; and we were left to gather what knowledge of them we could, from the partial and imperfect examination which, as directors, we were able to make.

After this course by the majority of the board, we had no hesitation as to our duty. We had brought the subject fully before them—it has been seen in what manner they treated it. We had required that full and exact statements relative to it, should be prepared by their own officers, under their own express authority—it has been seen this was promptly denied. We determined at once to report to the president of the United States, the result of what we had discovered, imperfect as the course of the board rendered our knowledge; and to advise him of the necessity there was of an investigation, by an agent duly authorized, into proceedings which, as public representatives, we held to be flagrantly wrong, and which we should have been faithless to our trusts, if we had consented to assist in concealing.*

But it was not only in the improper disposal of the funds—or even in the unlimited authority given to the committee on exchange; that the systematic determination to conduct the affairs

* Appendix 4.

of the institution, without admitting even a reasonable participation in them by the public directors, was evinced. It has been exhibited on various, indeed on all possible occasions. It was strikingly displayed when the important subject of commencing a gradual reduction in the business of the bank, came before the board. In May, a resolution had been adopted, instructing a committee "to inquire into the expediency of making a gradual reduction in the accommodation paper of the bank, and to report to the board a scale on which such reduction should be made." We had been constantly looking for a report, in pursuance of these instructions, with such views as to the best mode of curtailing the business of the institution, as the necessary inquiries of the committee would enable them to make; but on the 13th of August, the following resolutions were presented by one of the directors, with a request that they might be immediately acted on.

"Resolved, That for the present, and until the further order of the board, the amount of bills discounted shall not be increased at the bank and the several offices.—That the bills of exchange purchased at the bank, and all the offices, except the five western offices, shall not have more than ninety days to run.—That the five western offices be instructed to purchase no bills of exchange, except those payable in the Atlantic cities, not having more than ninety days to run—or those which may be received in payment of existing debts to the bank and the offices, and then not having more than four months to run."

We perceived at once, in this measure, the commencement of a system of reduction, in conducting which wisely and impartially, the welfare of the whole community was involved. No notice of these resolutions had been given, and therefore, while we concurred, as we stated, in the propriety and expediency of reducing the business of the institution, we required that the plan should be carefully weighed, so as to bear equally on all parts of the country, and on all debtors to the bank. We desired also to have the result of the views and inquiries of the committee already appointed. With these objects, we asked that the resolutions might be postponed for one week, or even until the next meeting, it being understood that the subject should be then definitively acted upon. Our request was refused. The resolutions were passed at once, and, as usual, by the vote of all present except one other director and ourselves. Believing that this measure was not only precipitate, but partial, and that it would lead to curtailments unequal and oppressive; and entertaining the opinion that a system might easily be formed, on a just basis, we offered the following resolutions: "Whereas a resolution was adopted on the 7th of May last, instructing the committee on the state of the bank to report to the board a scale

of reduction in the business of the institution, and no report has been made in pursuance thereof—And whereas, a resolution, passed at the last meeting, which places certain restrictions on the business of the institution, confines the same to five of the western offices,

"Resolved, That the committee on the state of the bank, be instructed to report to the board, at as early a day as possible, a system for the gradual reduction of the business of the institution, throughout all sections of the country, having regard to the interests of the stockholders, the debtors of the bank, and the community in general."

This plan, which would have prevented an oppressive and partial system of curtailment, confined to particular portions of the country, and exerted at particular times—which would have given to the subject full and fair consideration—and which, above all, would have enabled every member of the board to exercise his deliberate judgment, was, as usual, rejected. Nor was this all; when we offered the resolution, temperately expressed as it is, the president himself asked the question of consideration upon it, though no motion to that effect had been made—a course never before adopted in the board, nor sanctioned by the by-laws, and evidently introduced to curtail more effectually, if possible, the very limited interference in the affairs of the institution, which was still allowed to the public directors. On this suggestion of the president, the majority refused even to consider our resolution, by the vote of all present except one director and ourselves.* This plan was persisted in, and subsequently carried still further. A series of resolutions were adopted, for reducing the business of the institution, and authority was given to the *committee on the offices, which is appointed by the president alone, to modify them in such manner as they should deem expedient;* and eventually that committee was authorized to direct such measures, for the general reduction of the business of the bank, as they should think best. We offered as an amendment to the resolution, giving to a committee this extraordinary power, a request that "they should *report to the board,* such measures as they directed." *This request was rejected by the usual vote.* It is, of course, impossible for us to know by what principles of policy the committee have been governed. Its proceedings are secret, and we can only ascertain, at intervals, some of the results to which they lead. We attribute to them the excessive curtailment in the business of the institution, which has lately been so sudden and oppressive; and which was not necessary either to the extent to which it has been carried, or in the manner in which it has been made to bear on the community. With these

* Appendix 5.

sentiments, and in the hope that the board itself might be induced, at a time like this, to interpose and to exercise for the welfare of the community, some portion at least of that unlimited power it had intrusted to the committee, we lately offered the following resolutions.

"Whereas the pressure on the commercial community at this time, may be removed by a liberal spirit of accommodation on the part of the banks generally—and whereas the state banks complain that in consequence of the balances being largely in favour of the Bank of the United States, they are unable to afford the necessary facilities to their customers without subjecting themselves to increased demands from this bank—and whereas it is believed, that were the banks in this district, to extend their loans twenty per cent. beyond the income, for a period of thirty days, it would relieve the money market, restore confidence, and have a salutary effect on the industry and enterprise of our citizens—Therefore

"Resolved, That a committee of three be appointed, to confer with similar committees that may be appointed by the other banks, for the purpose of uniting in some arrangement to carry into effect the object of the foregoing preamble; and that the cashier be requested to send copies of the above to the presidents and directors of the other banks, with a request that their determination on the subject may be communicated as early as practicable."

These resolutions, the effect of which would have been to produce a concert of action among the banks, for the relief of the mercantile community, at a period of difficulty, and to display on the part of the Bank of the United States a determination to afford it, which could not have been unsuccessful—the board refused even to consider—they were rejected in the usual summary manner, and the whole subject remains as before, in the power of the committee on the offices.

It will thus be seen, that while the unlimited authority of the president to expend the funds of the bank had been deliberately confirmed—and while the committee on exchange, selected and appointed by him, had been officially permitted to discount notes and carry on the proper business of the board—now, in addition to all this, *the measures* of the institution in the regulation of its vast business, at this most important crisis, *were intrusted to the committee on the offices, also selected and appointed by the president, accompanied by an explicit refusal to require them to report any of their acts to the board.*

It might be supposed, that the systematic operations of the majority, pursued, as we have seen, for nine months, were now complete. Not so. Certain resolutions were adopted on the 1st October, indicating the course of policy to be pursued, which ap-

peared to us in many respects of a character, that rendered it proper they should be transmitted to the secretary of the treasury. We accordingly requested, from the president of the bank, a copy of them for that purpose. This was not given to us, but we were informed that our request would be laid before the board, which was afterwards done. It was there referred to a committee, and, at a subsequent meeting, they reported a resolution refusing the request. Accompanying it were the reasons on which the refusal was founded, indicating a strong spirit of hostility to the treasury department, and a determination to refuse all information that could be avoided. This resolution was passed. Immediately after the adjournment of the board, and when most, if not all of the directors who had been at the meeting, were still present, one of us requested to look at the report just read, having, from the single reading, an imperfect notion of its contents. This request was refused, unless previously sanctioned by a regular order of the board, and an effort was thus made to deprive us of any certain knowledge, even of what took place at the meetings of the board, limited as this had now become.*

We have thus endeavoured to trace, as well as we can, the course of policy adopted by the bank, towards the public directors. Excluded, as it is seen, we have been and still are, not merely from any participation in the measures of the board, but even from the examination of its documents, we have been able only to state some of the prominent instances of unjustifiable infringement on our rights. A full and proper investigation would at once augment their number and display their impropriety in a light still more glaring. Yet, as it is, we confidently appeal to the exposition we have made, to sustain us in our assertion, that from the moment we took our seats at the board, a systematic policy has been pursued, of so conducting the affairs of the institution, as to exclude the directors appointed on the part of the United States, from a participation in, or knowledge of its most important transactions.

Nor was it in regard to the public directors alone, that the management of this institution presented serious causes of objection. The whole system is one which is calculated to exclude the board of directors from a proper knowledge of its situation, of the conduct of its officers, and of its policy as a great financial and commercial institution. The plan of transacting much of the business in secret committees, has already been referred to, in many remarkable instances, but, so far as our limited experience on some of the committees has enabled us to judge, very many objects which ought to be submitted to the inspection and appro-

* Appendix 6, 7.

bation of the directors, never come even before the standing committees, much less before the board.

It is well known, as indeed must be the case, that the expenses of the bank are very great—they are extended to various objects —they embrace large disbursements to individuals—yet during a year in which we have been seated at the board, we scarcely recollect a single instance where an account has been submitted for our inspection. The particulars of the aggregate expenditure *are never at any time laid before the board.* They are at most made up in an account, which, at the end of six months, is submitted to the necessarily limited examination of the dividend committee, instead of being passed upon by the directors, as they occur. However great may be the confidence which is to be placed in the officers of the institution, under whose care these expenditures are made—it is not to be doubted, that the practice is injudicious, which does not require the judgment of the board to be taken upon them before they are made, involving as they do very large sums, and applied as they may be, to objects in regard to which the opinions of the directors may greatly vary. We are aware of no duty more imperative than this; and we do not think that either the variety and number of the disbursements, or the fidelity of the officers making them, ought to authorize a deviation from it.

The correspondence that must pass between the bank and its offices, cannot but be extensive and important. Letters are occasionally read from the presidents and cashiers of the branches, but they appear to be merely the reports which are made at stated periods. Those which are written from the bank, and which of course contain directions affecting its whole operations, are never submitted to the board either before or after they are sent. Indeed, it is notorious, that the directors of the bank frequently hear of the operations of the distant offices, done, as is believed, under instructions emanating from it, through public rumours or information from those places, before any is communicated to them at the board. It is not in the recollection of either of us, that the instructions at any time given by the president to the offices, during the last year, have ever been submitted to the board.

The same remark may be made in regard to the foreign correspondence of the bank, which, judging from the large amount of funds the bank has occasionally abroad, and its numerous transactions there, we presume to be at least frequent and important. Its very existence is scarcely known to us. On a specific call in March last, a few letters then lately received from Messrs. Barings were laid before the board ; and subsequently, one or two from Messrs. Hottinguers, relative to the draught of the secretary of the treasury on the French government, were read to us.

But the great body of correspondence is never seen, on the table, or in the room, where the board meets. Especially the letter books containing the various instructions and orders from the institution, as given by the president, are never submitted for their inspection. If these documents even could be inspected by the public directors, without an express order of the board, or without liability to refusal from the officer having them in charge; it must yet be evident that such an inspection is altogether limited in its nature, and insufficient to keep the directors properly informed of the proceedings of the institution. That can only be done by the acts of the president and committees, which are transacted in their name or on their behalf, being regularly submitted to them—being presented for their inspection at their stated meetings—and not by keeping them suppressed, to be produced only on repeated and specific demands.

In a word, from the moment we took our seats at the board, we have seen that the *real business of the institution is not there transacted*, nor its real authority there exercised—that there exists beyond its control, a power that can be and is exerted, promptly, secretly, and efficiently, from one end of the country to the other—that the just instrumentality of the directors has been curtailed, either by the mode of operation gradually introduced, or by positive regulations from time to time prescribed—and that their duties must be inadequately performed, if they are willing to remain passive instruments under such a system, instead of asserting their rights as representative agents charged with an important and highly responsible trust. We have not now to learn in what light such an assertion of independence is regarded—the facts we have stated evince it clearly enough. We have not now to learn the manner in which it will be met—the statement of the majority that calls forth this memorial, shows the means that will be resorted to. These may deter others from the exercise of an independent judgment and honest opposition—they do not and they shall not deter us from the conscientious performance of that duty which, by the charter, we were appointed to perform.

But what is this elaborate statement of the majority? We confidently declare that it removes no real objection, controverts no important charge.

Is it denied that we have been excluded from the standing committees? Is it denied that two of those committees are selected by the president alone? Is it denied that they have assumed the functions of the directors? Is it denied that they have done this contrary to the recorded opinion of the board? Is it denied that they have loaned money contrary to the by-laws, and on doubtful and unusual security? Is it denied that they have done it on days and under circumstances when the board might have acted,

had it been brought before them? Is it denied that they are not required to report in writing their proceedings to the board? Is it denied that the by-laws have been altered? Is it denied that the president is allowed unlimited control over the funds of the bank, by virtue of the resolutions of November, 1830, and March, 1831? Is it denied that those resolutions exist? Is it denied that large sums of money were expended under them? Is it denied that the resolution of the 16th of August, 1833, passed against our solemn remonstrances, continued and extended this power? Is it denied that there are no proper vouchers for a large portion of this expenditure? Is it denied that much of the chief business of the bank is done through committees selected by the president? Is it denied that unusual modes have been adopted, to suppress our interference, and deprive us of a just knowledge of the affairs of the institution? We have read this statement of the majority, and we look in vain for a denial of any one of these things. They cannot be denied. They are proved by the records of the institution, to which we confidently appeal to sustain us in the assertions we have made.

How have we been met? By impairing our rights—misrepresenting our statements—giving partial views of facts.

The first step is to deny the right of the president of the United States to require, and consequently of the public directors to make a report of the proceedings of the board. If we regard truly the nature of our office—if we have properly understood the intentions of the American people in creating it—then should we have been wanting in every principle of duty had we neglected to report to the chief executive magistrate, the proceedings we have detailed. Silenced by an organized majority; our rights invaded; as we believe, the public welfare endangered; our efforts to prevent it, and our remonstrances against it equally disregarded—it would doubtless have been more consistent with the views of the majority that we should have continued to sit tamely by, and give them, by our silence, indirectly, that aid they could not obtain openly by our votes. But this would have been on our parts a desertion of our trust—an unpardonable neglect to perform the very duty expected of the public directors, in such an emergency, by those by whom the charter of the bank was made. We are content to submit our conduct in this to the judgment of the American people.

We are next accused of want of candour, in not informing the majority that we had received a letter from the president of the United States, and that we should report their proceedings to him—we are accused of secretly obtaining the information thus communicated. Shall we ask with what propriety such a charge is made by those whose whole course, as we have exhibited it, has been marked by want of candour and of openness of conduct?

Whose by-laws have been altered to shroud their proceedings in greater secrecy, and conceal them effectually from us? Who permit large sums of the public money and the money of the stockholders to be expended without the production of vouchers? Whose whole system is one authorizing the exercise of irresponsible power? Who have refused, when called on, to render any particular statements of accounts notoriously vague—to furnish for the secretary of the treasury, copies of documents affecting the interests of the whole community—to admit the public directors into their secret councils—or to allow them an opportunity to examine, before publication, their own elaborated statements? From such a majority, such a charge comes indeed with little propriety. But we are aware of no right or claim they had to the letters addressed to the public directors by the president of the United States, or to the reports made to him; nor did we feel ourselves at liberty to communicate the one, or called on to submit the other. It would, indeed, be just ground of censure against us, if, under the authority of the one, or in executing the other, we had obtained information without ample notice to the majority, or communicated it without abundant opportunity allowed them to know, investigate, and repel it for themselves. If they do not venture directly to assert that we did so, they attempt to insinuate it. On our parts, we explicitly deny it. We deny the truth of any allegation, direct or indirect, which implies want of candour —or any neglect of full information given to them of the nature and extent of our objections—or any want of the most ample opportunity previously afforded to examine, and, had it been possible, refute the charges we made. This we deny, and we appeal to the records of the bank to sustain us in the denial. Our examination of the expense account was made, after a formal demand by us all, in person, to the president. We demanded it as our right as directors of the bank. We proposed to make it in the public room of the directors. We did it in that of the cashier, at the suggestion of the president. After we had done so, we brought the whole subject formally before the board. Our resolutions on the minutes, show how fully we introduced it to their notice. We asked of them, by those resolutions, an explanation by their own officer, and under their own direction. We did this *on the* 16*th August*. The majority felt itself sufficiently acquainted with the whole matter, to express a deliberate opinion upon it by their resolution confirming all they had done. They *refused* to have a statement prepared under their own direction, although we informed them of the vagueness of the account. In a word, it was evident, they would neither aid in changing the system against which we remonstrated, nor in affording a true account of what had been done under it. It was *on the* 19*th August*—after we had thus given them ample notice—after they had

refused to aid us, give us their own statement, or enter into any investigation themselves, that we reported to the president of the United States, all that they would allow us to ascertain. Yet with all these circumstances well known to them, *they carefully suppress in their statement every allusion to their existence,* and endeavour to convey the idea that they never knew of our charges, or had an opportunity to repel them, until they read them in the newspapers. Nay, more. With these facts palpably brought to their notice—with these dates apparent on their own records and on our report, they have the boldness to assert or insinuate that our investigations were secretly made, and to pretend that in these disclosures they were taken by surprise. In what language shall we characterize misrepresentation so gross as this? Have we stated any thing of which they had not ample notice? We defy the production of it. Have they been put upon trial, as they say, without any chances of knowing or answering the charges made against them? Their own minutes prove exactly the reverse. But no! We are not, none can be at a loss to divine the reasons for such an accusation against us in the face of evidence so glaring. It is to remove the real ground of charge. It is to evade by an unfounded attack on the public directors, an explanation of their own unwarranted proceedings. It is to insinuate, that as members of the board we improperly discharged our duty—when the true cause of dissatisfaction is, that we have examined, censured, and exposed abuses they had hoped to conceal. But is this all? What is their own course in this very matter, selected as the object of attack on us? They deny to directors of the board, the right to examine its documents and report its proceedings to the president of the United States—and yet it is notorious, that the editors of newspapers under their patronage, obtain and publish, with no permission of the board known to us, facts in regard to its proceedings, accounts, and expenditures, which they admit have been obtained by "information in and out of the bank," and by an inspection of the documents it possesses. The irresponsible publication, by an editor of a newspaper, of facts favourable to the views of the majority, containing statements obtained from the bank without the knowledge of the public directors, involves no impropriety—the responsible report of those directors to the president of the United States, of proceedings and expenditures which have been brought distinctly to the notice of the board, is an act highly culpable, uncandid, and unjust!

But the majority have felt this was not sufficient to excuse themselves before the American people. They knew that if the facts we stated were true, public opinion was not thus to be led away from them. They have therefore attempted to point out errors in the report we have made. If the errors they thus pre-

tend to discover did in reality exist—they are in themselves either the result of their own course, or they are too trifling to mislead those, whom it is desirable to turn aside from the real facts we have ventured to expose.

What are the errors it is asserted we have made, in our report to the president of the United States? The first is that we have stated that the expenditures, under the head of printing and stationary, were *discovered* by us, when, in fact, as the majority would have it believed, they had never been concealed—when they were regularly entered in the books of the bank. We repeat that they were discovered by us—that they were unknown to us—that they were incurred to the extent of several thousand dollars, while we were actually members of the board, and never stated to it when they were incurred—that several directors besides ourselves expressed their ignorance of them, though they had held their seats seven months, until we made them known—that the book in which they were entered was never laid before the board—that the accounts themselves were never exhibited at the board, either before, when, or after they were paid. Is it an answer to all this to say, that they were recorded in a book of whose existence we were ignorant—that these proceedings and expenditures were neither secret nor concealed, because, on inquiry, we could find an account in which they were entered? If we could demand from the majority a candid avowal, we should not hesitate to ask several of them, whether these expenditures were not, in truth, utterly unknown to them, until brought to their notice by us?

We are next accused of error in stating that these accounts were vaguely kept, and that the particulars are not sufficiently stated—and it is alleged that the entries contain the names of the persons to whom payments were made, the amounts, and references to the vouchers. Is this the manner in which such accounts should be kept? We stated to the board, and we repeat now, that it is not. We stated to the board then, that they ought to exhibit the sums of money paid to each person, the quantity and names of the documents printed by him, the charges for the distribution and postage of the same. We repeat it now, and we assert, that without this, the accounts are not kept as they should be. But we go further—we deny that the account does exhibit the names of all the persons to whom the payments were really made. It is notorious, that, in some instances, the persons receiving the money, and whose names are entered on the book, are not persons engaged in printing or publishing. Can they then properly be called the persons to whom these payments were made? It is admitted too, that a large sum was expended under the orders of the president—*where are the entries of the persons to whom the payments under them were made?* Have we

then been guilty of error, in stating that these accounts were not kept in such a manner, as to be "readily submitted to, and examined by the board of directors, and the stockholders?" Which is the real object of just censure?—the "spirit in which our inquiry was made," or the deceptive and disingenuous manner in which it is replied to?

We are accused of error in conveying the impression, that these expenditures were confined exclusively to the bank at Philadelphia, because we have said, that "all expenditures of this kind, introduced into the expense account, and discovered by us, we found to be, *so far as regards the institution in this city*, embraced under the head of stationary and printing." It is asserted that these expenditures embraced payments made to persons residing elsewhere. Does our language convey a contrary impression? We are sure it does not. We have never doubted the fact that payments have been made by the institution here, for these purposes, to persons in various parts of the United States. We declare, that the only account we saw, was for such expenditures as are charged in the expense account of the institution here—and that if others are charged at the offices, we have been able to discover no account of them. Whether there are such, we cannot assert, since we have no means here of ascertaining, and since our resolution to inquire was promptly rejected.

We are accused, not merely of error, but of *misrepresentation*, in not stating more minutely, that the head of stationary and printing, embraced other payments than those for printing the documents to which we have referred—for not giving copies of all the bills and receipts which we saw—for making the remark generally, that "a large proportion" of eighty thousand dollars was paid to the proprietors of newspapers and periodical journals, and for the printing, distribution, and postage, of immense numbers of pamphlets and newspapers. We scarcely know in what terms to repel the disingenuousness of this charge. To whom was the statement, now complained of as being too general, first made by us? To the board itself. Why was it made to them? For the very purpose of having it explained—of having the details stated more fully, by its own officer. The statement was accompanied with that very request. It was made on the very ground that the books did not enable us to be more minute. There is no single remark of ours, which conveys the impression that the *whole* of the expenditures under this head were, or were by us supposed to be, for the purposes we complained of—but the reverse. The expense account, we assert, does not now, as it exists, enable any person to ascertain how much was expended for these objects, and what for the more legitimate objects referred to by the majority. That it might be so amended as to exhibit this was the very cause of our demand. It is refused, and by thus refusing we are unable to ascertain and to

state the very particulars which we are now censured for not exhibiting—nay, which we are charged with misrepresenting. Can it be doubted after this, that the determination to maintain the obscurity of this account, had in view the very intention of charging us with incorrectness in not stating it more fully? We deny that we were called on, as directors, to make copies of all these vouchers—we stated to the board that they were numerous, and we asked that their officer should make a full statement of them.—But has the correctness of one of them as we have referred to it been contradicted?—Not one. Have the majority fairly and fully exhibited them when they are called on, and have it in their power? They do not think it expedient to do so. What is their course when we complain that these improper expenditures are not properly stated on their books? When we refer to them as made during *six successive half years?*—They take *a single half year*, in which there happens to be a considerable disbursement for new bank notes, exhibit the items of expenditure for this half year—but say nothing of the particulars of the rest. There is no assertion on our part that the *whole* of these disbursements, during the half year they select, were for printing pamphlets and similar productions—but the reverse. There is no denial directly or indirectly that a "proportion" of it was for other objects—this is admitted. But we declared the account *did not fully exhibit the particulars of each*—and this declaration they do not venture to deny. We have given the average semi-annual expenditure, under this head, for all payments—proper and improper as we consider them—from the 1st of July, 1829, to the 1st of January, 1831—it is $5949 13. We have given the average semi-annual expenditure from the 1st of January, 1831, to the 1st of January, 1833—it is $20470 66. Will it be pretended that the real cause—the "large proportion" of this difference—is other than the disbursements to which we object? If so, let it be shown, not by selecting one half year, but by a statement of *the whole account*—not as it is *now* explained and made out, but as it appears in the expense account, as it was, when examined by us. Let the particulars of the disbursements made by the president for which there were no vouchers, be stated. We have looked through the whole of this exposition by the majority—*we do not find that they deny this remarkable fact*, we do not find that they attempt to explain or justify it, we do not find that they give any account of the manner in which or the persons to whom the sums of money were paid—all is left as it was, uncontradicted, unexplained, uncertain, and vague—and yet we are censured for referring to these payments in general terms. We gave the particulars of this account as fully as we were able—the majority refused to have them stated with proper fulness—they still neglect to do so, though it is in their power. Is it to be tolerated that we are to be charged with want of minuteness

in our statement, after conduct such as this? We assert again, *and we challenge the production of the account to disprove our assertion;* that during the years 1831 and 1832, upwards of eighty thousand dollars were expended under the head of stationary and printing—that "a large proportion" of this was paid to the proprietors of newspapers, periodical journals, and printers; that about twenty thousand dollars of it were expended on orders of the president, without any entry of the manner in which, or the persons to whom the same were disbursed; and we assert, that the account, as kept when exhibited to us, did not show the particulars of these disbursements, so as to enable us to state from it those to which we refer, more fully than we have done.

The next charge against us—at variance with the last, since it censures us for *too much* minuteness—is that we have given the name of a director, by whom some of the publications were ordered, "with a design to connect his agency with some political purpose." We were not aware that the propriety of the disbursement was increased, or its character changed, if stated to be done under the order of a single director, instead of under that of the president. Neither do we see any inference, that our statement was made for "political effect," unless this arises from the fact of the order being given, for such a purpose, by the director in question, if he is one of those whom the majority emphatically characterize as "called politicians." Had we omitted it, doubtless we should have been censured for an incorrect statement. We gave it as it appears in the voucher, because it did so appear there, and because it led to the belief, that such payments were made, not merely on the authority of the president, but also of an individual director, unauthorized by the board. If that belief was erroneous, it would have been corrected at the time, had not the majority, on the 16th of August, refused to have the account examined, and the particulars stated, as we then explicitly demanded.

These are the charges against us—these the errors said to exist in the report of the public directors on the 19th of August, to the president of the United States. We submit that report, so attacked, and so disproved, to the judgment of any tribunal. We confidently assert that there is in it no statement or charge that can be invalidated; that every one is substantiated by the books and records of the bank; that no real error has been pointed out in this elaborate attack upon us by the majority. It is by suppressing facts well known to them, by misrepresenting what we say, by drawing unjust and unfair inferences from particular sentences, by selecting insulated phrases, and by exhibiting partial statements; by making unfounded insinuations, and by unworthily impeaching our motives, that they endeavour to controvert that which they are unable to refute. *When the expense account shall be truly and fully exhibited to any tribunal, if it shall*

be found that the charges we have stated, do not exist—when the minutes of the board shall be laid open, if it shall be found the resolutions we have quoted, are not recorded—we shall acknowledge that we have been guilty of injustice and of error, but not till then.

We have thus endeavoured to present to the assembled representatives of the American people, a view of the course, which, for nearly a year, the majority in a large moneyed institution, established by them for their benefit, have thought proper to pursue towards those who have been placed there, to guard their interests and to watch and control its conduct. We have briefly stated the systematic series of actions by which they have endeavoured to deprive them of every right that was conferred on them by the charter, and to assume to themselves a secret, irresponsible, and unlimited power. We have shown that in endeavouring to vindicate or to serve themselves, they have resorted to accusations against us which they are unable to sustain, and left unanswered charges which, were they not true, it would be easy to repel. We have been urged to this from no desire to enter into the lists, with an adversary sustained by all the resources which boundless wealth affords. We have been driven to it by the nature and manner of the attack, made upon us, in the document on which the intended memorial to congress is founded.

We doubt not that agents more efficient than ourselves might have been found, but, placed in the responsible position in which we have been, it has been our inflexible determination faithfully to perform its duties, at every hazard, and to appeal from the judgments of those who are interested in opposing and censuring us, to those whose rights have been committed to our guardianship and care. The people of the United States have endeavoured to form a political structure of government, which should be as little liable as possible to the corruptions exhibited throughout the histories of other nations. Freedom and law are alike endangered by every approach to venality, every exercise of secret, mysterious and irresponsible power. It is the paramount duty of every citizen, and the sacred obligation of every American functionary, to shield all the institutions connected with the government, from the treacherous and insidious advances of moneyed influence. The sphere in which he is called to act may be humble; the power he can thus exercise may be limited, but the solemn obligation is not less binding, nor will the faithful performance of the duty be less an object of honourable pride.

All which is respectfully submitted by

H. D. Gilpin,
John T. Sullivan,
Peter Wager,
Hugh M'Elderry.

Philadelphia, December 9th, 1833.

APPENDIX.

No. 1.

Washington, April 14, 1833.

GENTLEMEN:—

Your letter of the 8th instant has been received. In reply I have to remark, that the information requested, is for my own satisfaction, and I do not wish it extended beyond the personal knowledge of the government directors. In case of a gross violation of the charter, it is my duty to issue a scire facias against the bank. If the rumours I have heard be true, it will probably be incumbent on me to do so, and those rumours relate to proceedings which must have come within the personal knowledge or observation of some of you. If they shall be confirmed by your report, I shall not only be able to judge of my particular duty, but may, if thought proper, cause to be made through the secretary of the treasury, that more formal and thorough investigation which you suggest.

In conclusion I would remark, that the discounts granted to individuals, are not deemed to constitute those private accounts, which by the charter are so carefully guarded; but that provision only embraces the debtor and creditor accounts of individuals on the books of the bank. If any discounts be corruptly or improperly granted, it is not only deemed right, but in aggravated cases, the duty of the government directors, to communicate the fact to the government.

I am, gentlemen, with great respect,
Your most obedient servant,

ANDREW JACKSON.

To Messrs. SULLIVAN, GILPIN, and WAGER,
U. S. Bank Directors.

No. 2.

To the President of the United States.

Philadelphia, 22d April, 1833.

Sir,

We had the honour to receive your letter of the 14th, calling our attention to the rumours which have come to you in relation to the proceedings of the Bank of the United States, and requesting such information as is within the personal knowledge of the government directors, that you may judge of the expediency of a more formal and thorough investigation through the secretary of the treasury. In the letter we had the honour to address to you on the 8th instant, we took the liberty respectfully to state the limited extent of our present information, which is only derived from our attention to the current business of the institution, acquired, at least by two of us, in the short period we have been in the direction, and amid the pressure of other engagements. Such as it is, we communicate it in compliance with your request. We could not fail to be struck with the fact, that the standing committees of the board, to whom of course the preparation and consideration of a great deal of the most important business is assigned, were so constituted at the commencement of the year, as to embrace none of the directors appointed by government, although three took their seats at the first meeting, and two of these were residents of Philadelphia. About the commencement of the present month, however, on a new organization of these committees, one of us was appointed on the committee on the state of the bank, and another on that of the offices.

So far as we are aware, the business of the committees consists of matters referred to them by the board, on which they report before any final action, except in a single instance—that of the committee on exchange. This committee, whose original power was confined to the exchange business, and whose appointment was formerly monthly in rotation, is now appointed by the president, and has gradually come to exercise the authority of another committee also selected in rotation to attend daily at the bank, and afford their aid and advice in all cases relative to the interest and business of the institution. Of late years the appointment of this latter committee has, we understand, ceased. In the exercise of these functions, the committee of exchange has not merely discounted inland bills of exchange, but also promissory notes, on the days intervening between the meetings of the board, and in some instances even then, but after its adjournment. Its proceedings of this nature are entered on the

books of the bank, and laid on the directors' table, though not read at every meeting. Further than this we cannot say that we have any personal knowledge of the final action of this committee, without the express authority of the board.

Conceiving it to be proper that the ordinary business of the board should not be thus transacted by a smaller number of directors than that required by the charter, and that the business of discounts may be conveniently done at the board—and being of opinion that a committee exercising such extensive powers, ought to be selected in rotation so as to include the whole board, which was the case until within a few years, and is still prescribed by the by-laws, we offered these resolutions, viz:—"That the duties of the committee on exchange shall not extend to the business of discounts: That the committee of exchange shall, after the expiration of the present month, consist of three directors residing in Philadelphia, to be selected, as prescribed by the existing by-laws, monthly, from the board, in rotation, and that the president and cashier shall be united with them." We also called the particular attention of the board to a decision of its own in 1830, which, on an application from one of the offices to authorize discounts by a committee in the intervals of the board, declared the inexpediency of such a proceeding in the most explicit terms. In addition to this, we adverted to the fact, that as late as the year 1828, the committee attending at the bank, was selected monthly in rotation, as appears by the minutes. This subject is still under the consideration of the board, any decision thereon having been postponed until a proposed alteration in the by-laws on the same subject shall come up for consideration. By this alteration it is provided, that the committee of exchange shall consist of three members to be appointed by the president every three months, who shall have special charge of all matters relating to the bank and its offices in foreign and domestic exchange and bullion, and who shall act as a daily committee for the purpose of domestic exchange at the bank. This, in fact, is to constitute by express regulation the committee of exchange in the manner in which it now exists practically. What may be the decision of the board on this plan we cannot of course say, but from the general sentiment expressed by most of the other directors, we presume it will be adopted. They are of opinion that the business thus intrusted to the committee of exchange, may be properly confided to them without contravening the letter or spirit of the charter, that it is expedient and even necessary to the successful business of the institution to have a committee with authority thus to act in the intervals when the board is not in session, and that such a committee may be appointed in the manner proposed, more advantageously and with no less propriety, than if selected in rotation, by which all the members of

the board would from time to time participate in the action on matters not only important in themselves, but peculiarly such as the stockholders must have looked to in deciding on the fitness of all the directors. Our own experience has not led us to adopt these views of our colleagues, but having stated so fully the facts in regard to them which have come within our knowledge, it would be improper in us further to urge our opinions on the subject in this communication.

We have been induced to object more strenuously to this mode of conducting business, because it transfers from the board to a few members, an extent of power and authority in the disposal of the funds of the stockholders that ought not to be exercised except by the full representation of their interests, which the charter requires; and that involves the institution in transactions, from which it is difficult to withdraw without loss. Having observed on a late occasion from the books laid on the table at the meeting of the board, that a note of Messrs. Gales & Seaton for $ 5000, which had been due and unpaid for some days, was unprotested, and that their account then was, and since the month of November preceding, had been repeatedly overdrawn to a considerable amount, and learning on inquiry, that their debt to the bank had risen within a few years from less than $ 11,000 to upwards of $ 80,000—that the principal security therefor was a pledge of the funds to be received from congress for an edition of the state papers, which funds were partially and previously appropriated to the payment of advances from other sources, and also to the current expenses of publishing the work —and that in the present instance no notice of the non-payment had been given to the trustees holding these funds, who were the acceptors of a draught which had been taken as collateral security, although the acceptance was conditional, to be paid on a contingency and out of a particular fund—we were desirous on all these grounds, that the subject should be fully and specially investigated. We also desired it, as we stated at the time, for the purpose of ascertaining and preserving on record the reasons on which such a deviation from the rules of the bank had been made. Our wishes were at first acceded to, and on the motion of another director, it was resolved, without a dissenting voice, that the account in question should be referred to a special committee of seven, including therein the three resident government directors. At the meeting of the bank three days after, the subject being before this special committee, and unacted on, we were surprised to observe by the books laid on the table that the note for $ 5,000 had been received by the committee of exchange on the very day the investigation was directed. On inquiring, we were informed that the agreement to renew had been made on the preceding day, but the note not having been actually pro-

duced until the day in question, the entry was then made on the books. We observed also, that the committee on exchange had discounted a note of the same persons for a further sum of $2,500, on the security of their order on the clerk of the house of representatives "for the amount which *would* be due to them for the 2d part of vol. 6 of the Register of Debates, say for five hundred copies, $2,500, *when authorized by the house as heretofore.*" On this order the clerk declined putting any acceptance, as the above work had not been subscribed for, though, as he said, "he did not doubt of its being ordered," but he stated that, "if the order was lodged with Mr. Johnson, his paying clerk, he would pay the moneys when due, to the proper person." They had also discounted a draught of the same persons, on H. T. Weightman, for $814 81. The two together made up $3314 81 cents, the amount of the overdraught at the time. The discounts thus made, were in opposition to the by-law of the bank, which prescribes that no person while he remains an overdrawer shall have any note or bill discounted at the bank. It was stated by the members of the committee on exchange, that these measures had been adopted as the most advantageous to the interests of the bank, and as most likely to secure their debt, that in regard to the renewal of the note for $5,000, they had reason to believe it had remained over from accidental neglect in not sending on one in time to replace it with, which was also the cause of its non protest, and that in their opinion a protest or notice was unnecessary to secure the liability of the acceptors of the draught. That in regard to the additional discounts of $3314 81 on the order and statement above mentioned, they believed they had secured in the most advantageous manner they could, the amount of the over draught. The opinion was further expressed by some of the committee on exchange and officers of the bank, that the whole of this large debt was secure, that it had been contracted to execute the large work directed by congress, and that when the payments therefor should be made, as they would shortly be, the debt would be greatly or entirely reduced.

After these circumstances, we were still more surprised at the proceedings of the board. The resolution which had been unanimously past at the preceding meeting, to refer the accounts to a special committee, was called up, it was reconsidered by the vote of all present except the government directors and the mover of the resolution, and was subsequently rescinded altogether. We renewed our opposition to this course on the grounds we have mentioned, and also on account of the unusual character and uncertain value of the principal security.

For the same reasons, when their notes came before the board, a few days since, for the renewal, to the amount of $13,000, we resisted a further extension of the loan—we believed that its

amount and duration were such as to render it proper to commence its reduction; and having understood that the work in question was so far completed as to entitle the publishers to a large portion of the sum payable by congress, we thought it right that they should make some payment. They were, however, renewed, by the votes of all the members present except those of the government directors.

We have since endeavoured, by our individual examinations, to form some opinion of the actual value of this security, and whether, as is alleged, it is sufficient; but there do not appear to be any documents from the clerk of the house of representatives, or from the trustees to whom the money to be paid was assigned, which give a definite statement of the amount of the state papers fund, or of the sum which the bank can calculate upon as a certain guaranty. The total amount loaned on that security is fifty-five thousand dollars, of which twenty-five thousand dollars is on the collateral acceptances of the trustees, deposited at the bank here, to which we have already referred. Of one of the draughts and acceptances thus collaterally given, we annex a copy, that you may see the nature of the instrument, and the terms of the acceptances. We also annex copies of the statement of the clerk of the house of representatives, relative to the draught of $2,500, lately discounted; and of a statement of the same person, relative to the payments to be made on account of the fund.

From these and our previous remarks, you will be able to form an opinion on the whole matter. As to the actual value of the security thereof, we express no opinion—indeed none could be formed with the certainty which we should desire in doing so, without an investigation much more thorough and formal than we have been able to make.

These, sir, are the circumstances which have come to our personal knowledge in the usual and regular exercise of our duty as directors of the bank. We have stated them to you with perhaps more minuteness than may seem necessary, but we have done so that you may be able to judge at once of the propriety of our course, in the fulfilment of our official trust, and also of the grounds on which our colleagues have acted, in pursuing one essentially different from it. We have refrained from stating anything that we have not made the subject of much reflection, and of all the examination in our power—anything that our present personal knowledge does not warrant us in laying before you as the basis of such measures as you may deem it expedient to adopt—anything in regard to which we have not sought and obtained, as far as we could, every explanation that was to be made.

Without considering any portion of our remarks as falling within the limits of those private accounts, which, as you state, the charter has so carefully guarded, since the whole relate to the

action of the board on matters fully open and discussed before them, and extend in no instance to the private debtor and creditor account of individuals, yet we may be excused for expressing much gratification at your assurance that the information requested is for your own satisfaction, and that you do not wish it extended beyond our personal knowledge. We may be permitted also to add, that the wishes and opinions which we took the liberty of expressing in our former letter, have since been more strongly confirmed, and that we should not only feel more satisfaction ourselves, but be enabled to convey to you more full and correct information, were we to proceed in an investigation whose object was avowed, and if we were strengthened by that official sanction which we suggested.

In conclusion, we can only say, that in whatever light our course may be regarded here, we shall act with a full sense of what we owe to the institution, and the government we represent—with firmness in opposing what we believe to be inexpedient or wrong, no matter to what motives our actions may be attributed—with due consideration for the reasons urged by others for their course, should it vary from our own—and with anxiety in seeking for and supporting every plan which we believe will increase the usefulness of the bank to the whole community, and promote the objects for which it was formed.

We remain, with great respect,

Your obedient servants,

H. D. Gilpin,
John T. Sullivan,
Peter Wager.

Draught and Acceptance of Trustees.

H. T. Weightman & Leonidas Coyle, Trustees.

Washington, November 17*th*, 1832.

Four months after date, please pay to Thomas Donoho, or order, three thousand dollars, for value received, to be paid out of any moneys which may come into your hands as the proceeds of the compilation of state papers which are now executing under the act of congress of March 2d, 1831, and charge,

Your obedient servants,

$3,000. Gales & Seaton.

Accepted, to be paid out of any moneys that may remain in our hands after the payments stipulated to be made by the deed of assignment, and after the payment of all prior acceptances.

H. T. Weightman,
Leonidas Coyle, } *Trustees.*

Washington, November 17*th*, 1832.

Draught and Statement of the Clerk of the House of Representatives.

M. St. Clair Clarke, Clerk of the House of Representatives.

Washington, March 22d, 1833.

Sir,

Please to pay to our order, hereon endorsed, the amount which will be due to us for the 2d part, vol. 6th, of the Register of Debates, say for five hundred copies, twenty-five hundred dollars, when authorized by the house as heretofore.

$2,500. Gales & Seaton.

Messrs. Gales & Seaton,

Gentlemen,

As the above work has not been subscribed for, but I do not doubt of its being ordered, I cannot put my acceptance on it; but if it be lodged with Mr. Johnson, my paying clerk, he will pay the money, when due, to the proper person.

Yours, &c.

M. St. Clair Clarke,

Clerk of the House of Representatives.

March 22d, 1833.

Statement of the Clerk of the House of Representatives.

Messrs. Gales & Seaton,

Gentlemen,

In answer to your request, I have to state, that the subscription authorized by congress to the reprint of the state papers, has been made by me—that as great progress has been made in printing, as its nature, and Mr. Lowrie's exertions, and my own, could accomplish.

No appropriation has yet been made, but a bill has been reported making one, which I believe will either pass in that shape, or be appended to the general appropriation bill in the senate.

Very respectfully, &c.

M. St. Clair Clarke,

Clerk of the House of Representatives.

March 12th, 1832. *Capitol.*

No. 3.

Rip Raps, August 3, 1833.

Gentlemen,—

I am informed that there is a book of expenses kept at the bank, which comes before the dividend committee semiannually.

If any of you have had or can have access to that book, I should be glad to learn what were the expenses of the last year, and also the preceding year, and for what particulars incurred. All directors have a right to see and inspect this book, and if it is refused to the government directors, report the same to me.

Mr. Walsh admitted in his paper, that his publisher had received about $ 1,000 for printing newspapers, calculated to operate on the elections. This leads me to believe that a considerable sum of the expenses of the bank has been incurred in this way. As it is my duty to see that the funds of the government, intrusted to this institution, are not misapplied, and as it is your duty as the representatives of the government in the board of directors, to furnish the executive branch of the government such information as will enable it to act understandingly, in protecting and guarding its interests, I desire that you will obtain and furnish me a statement of the bank account of expenses. They can in no sense be considered *private* accounts. They are the accounts of a public institution's expenditures, upon the honest and proper appropriation of which must depend, to some extent, the confidence which the administrators of government may feel at liberty to repose in it. I should consider it proper, and *even your duty*, if an examination of these accounts should be denied, by the officer keeping them, to demand a view of them by motion at the board of directors. If it be refused, then report the same forthwith to me, and, at the same time, give me all the information and knowledge in regard to these accounts, which you may have acquired in the discharge of your duty as directors.

I am, gentlemen, with great respect,
your most obedient servant,
ANDREW JACKSON.

Messrs. SULLIVAN, GILPIN, and WAGER,
U. S. Bank Directors.

No. 4.

TO THE PRESIDENT OF THE UNITED STATES.

Philadelphia, 19th August, 1833.

SIR,—

We had the honour to receive your letter of the third instant, directing us to examine and report upon the expense account of the Bank of the United States, for the last two years. Those of us to whom it was addressed, requested the attendance of our

colleague, Mr. M'Elderry, to assist us in the examination. On his arrival, we proceeded to investigate the various charges, and to look into such of the vouchers on which they were founded, as we had time and opportunity to do. These are so numerous, and embrace so many small items of various kinds, that a full view of them can only be given to you, by transmitting copies, made by some person authorized or requested by you or the secretary of the treasury. The time and labour necessary for this mode, would have prevented our resorting to it at present, even had you authorized us to do so, for we have believed it would be more consistent with your wishes, that we should at once report the result of our own labours, leaving you to decide, after you shall have been made acquainted with them, whether such a more minute statement of the expense account be requisite. We may add too, that finding the particulars of many expenditures were to be ascertained, only by an investigation of numerous bills and receipts, we requested at the board, that the cashier might furnish such a statement of them as might be susceptible of ready examination; but as this request was not complied with, we were obliged to depend entirely on our own particular inquiries. These facts we mention merely to guard against any deficiency you may observe in our remarks, and any inaccuracies, should there be such, in the details which we communicate.

As the expense account embraces the various expenditures for salaries, making and issuing notes, transportation of specie, buildings, repairs, and taxes on real estate, stationary, printing, and contingencies of all kinds—it is necessarily so large and intricate, that we deemed it expedient at present to confine our investigation to that portion which embraced expenditures "calculated to operate on the elections," as they seemed to be the objects of inquiry suggested by you. All expenditures of this kind introduced into the expense account, and discovered by us, we found to be, so far as regards the institution of this city, embraced under the head of stationary and printing. To it, therefore, we chiefly directed our inquiries; and an examination of that item of the account, for the last three years, undoubtedly presents circumstances which, in our opinion, warrant the belief you have been led to entertain.

The expense account is made up at the end of every six months, and submitted with the vouchers of the dividend committee, for examination. Commencing with the last six months of the year 1829, we find that the sum paid for stationary and printing, amounted to $3,765 94, which we presume to be the necessary expense of the institution, under this item, when no extraordinary disbursements are made. During the year 1830, the expenditures increased to $7,131 27 during the first, and to

$6,950 20 during the last half year, and entries are made in both, of large sums, making together about $7,000, paid for printing and distributing Mr. M'Duffie's report and Mr. Gallatin's pamphlet. These seem to be the commencement of a system of expenditure, which was the next year immensely increased, and received the sanction of the board, as appears by the entries on the minutes, and two resolutions passed at the close of this year and in the succeeding spring.

On the 30th of November 1830, it appears by the minutes, that "the president submitted to the board a copy of an article on banks and currency, just published in the American Quarterly Review, of this city, containing a favourable notice of this institution, and suggested the expediency of making the views of the author more extensively known to the public, than they can be by means of the subscription list"—whereupon it was on motion,

Resolved, "That the president be authorized to take such measures, in regard to the circulation of the contents of the said article, either in whole or in part, as he may deem most for the interests of the bank."

On the 11th of March 1831, it again appears by the minutes, that "the president stated to the board that in consequence of the general desire expressed by the directors, at one of their meetings of the last year, subsequent to the adjournment of congress, and a verbal understanding with the board, measures had been taken by him in the course of that year, for printing numerous copies of the reports of General Smith and Mr. M'Duffie, on the subject of this bank, and for widely disseminating their contents through the United States, and that he has since, by virtue of the authority given him by a resolution of this board, on the 30th day of November last, caused a large edition of Mr. Gallatin's essay on banks and currency to be published and circulated in like manner, at the expense of the bank. He suggested at the same time the propriety and expediency of extending still more widely a knowledge of the concerns of this institution by means of the republication of other valuable articles, which had issued from the daily and periodical press—whereupon, it was on motion,

Resolved, "That the president is hereby authorized to cause to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the bank."

In pursuance, it is presumed, of these resolutions, the item of stationary and printing was increased during the first half of the year 1831, to the enormous sum of $29,979 92, exceeding that of the previous half year by $23,000, and exceeding the semi-annual expenditure of 1829, by upwards of $26,000. The ex-

pense account itself, as made up in the book which was submitted to us, contained very little information relative to the particulars of this expenditure, and we were obliged, in order to obtain them, to resort to an inspection of the vouchers. Among other sums was one of $7,801, stated to be paid on orders of the president, under the resolution of 11th March 1831, and the orders themselves, were the only vouchers of the expenditure which we found on file—some of the orders, to the amount of about $1,800, stated that the expenditure was for distributing General Smith's and Mr. M'Duffie's reports and Mr. Gallatin's pamphlet; but the rest stated generally that it was made under the resolution of the 11th of March 1831.

There were also numerous bills and receipts for expenditures to individuals, among them of Gales and Seaton, $1,300 for distributing Mr. Gallatin's pamphlet—of William Fry for Garden and Thompson $1,675 75 for five thousand copies of General Smith's and Mr. M'Duffie's reports, &c.—of Jesper Harding $440 for 11,000 extra papers—of the American Sentinel $125 74 for printing, folding, packing, and postages of 3,000 extras—of William Fry $1,830 27 for upwards of 50,000 copies of the National Gazette, and supplements, containing addresses to members of the state legislatures, review of Mr. Benton's speech, abstracts of Mr. Gallatin's article from the American Quarterly Review, and editorial article on the project of a treasury bank—of James Wilson $1,447 75 for 25,000 copies of the reports of Mr. M'Duffie and Mr. Smith, and for 25,000 copies of the address to members of the state legislatures, agreeably to order, and letters from John Sergeant Esq.—and of Carey & Lea $2,850 for 10,000 copies of Gallatin on banking, and 2,000 copies of Professor Tucker's article.

During the second half year of 1831, the item of stationary and printing was $13,224 87, of which $5,010 were paid on orders of the president, and stated generally to be under the resolution of 11th of March 1831, and other sums were paid to individuals as in the previous accounts, for printing and distributing documents.

During the first half year of 1832, the item of stationary and printing was $12,134 16, of which $2,150 are stated to have been paid on orders of the president, under the resolution of 11th of March 1831. There are also various individual payments, of which we noticed $106 38 to Hunt, Tardiff & Co., for a thousand copies of a review of Mr. Benton's speech; $200 for 1,000 extra copies of the Saturday Courier; $1,176 to Gales & Seaton for 20,000 copies of "a pamphlet concerning the bank," and 6,000 copies of the minority report relative to the bank; and $1,800 to Matthew St. Clair Clarke for "300 copies of Clarke & Hall's bank book."

During the last half year of 1832, the item of stationary and printing rose to $ 26,543 72, of which $ 6,350 are stated to have been paid on orders of the president, under the resolution of 11th March 1831. Among the specified charges, we observe $821 78 to Jesper Harding, for printing a review of the veto; $ 1,371 04 to E. Olmstead, for 4,000 copies of Mr. Ewing's speech, bank documents, and review, and the veto; $ 4,106 13 to William Fry for 63,000 copies of Mr. Webster's speech, Mr. Adams's and Mr. M'Duffie's reports, and the majority and minority reports; $ 295 for 14,000 extras of the "Protector," containing bank documents; $ 2,583 50 to Mr. Riddle for printing and distributing reports, Mr. Webster's speech, &c.; $ 150 12 to Mr. Finnall for printing the speeches of Messrs. Clay, Ewing, and Smith, and Mr. Adams's report; $ 1,512 75 to Mr. Clarke for printing Mr. Webster's speech, and articles on the veto; and $ 2,422 65 to Mr. Hale for 52,500 copies of Mr. Webster's speech. There is also a charge of $ 4,040, paid on orders of the president, stating that it is in expenses in measures for protecting the bank against a run on the western branches.

During the first half year of 1833, the item of stationary and printing was $ 9,093 59, of which $ 2,600 are stated to have been on orders of the president, under the resolution of the 11th March 1831. There is also a charge of Messrs. Gales & Seaton of $ 800, for printing the report of the exchange committee.

Having made this examination of the expense account, we were not only struck with the large sums that had been expended, under the head of stationary and printing, in the two years to which you refer, but also to the evident necessity there was, that the accounts should be so stated, as to enable the directors and stockholders to ascertain the particular sums of money paid, the quantity and names of the documents furnished, and the expenses of distribution and postage. With this object we stated, at the last meeting of the board, the result of our examination of the expense account, and submitted the following resolutions:

"Whereas it appears by the expense account of the bank for the years 1831 and 1832, that upwards of eighty thousand dollars were expended and charged under the head of stationary and printing, during that period—that a large proportion of this was paid to the proprietors of newspapers and periodical journals, and for the printing, distribution, and postage of immense numbers of pamphlets and newspapers, and that about twenty thousand dollars were expended under the resolutions of the 30th of November, 1830, and 11th of March, 1831, without any account of the manner in which, or the persons to whom the same were disbursed. And whereas it is expedient and proper, that the particulars of an expenditure so large and unusual, which can now be ascertained only by the examination of numerous bills

and receipts, should be so stated as to be readily submitted to and examined by the board of directors and stockholders: Resolved, That the cashier furnish to the board, at as early a day as possible, a full and particular statement of all these expenditures, designating the sums of money paid to each person, the quantity and names of the documents printed by him, and his charges for the distribution and postage of the same, together with as full a statement as may be of the expenditures on orders, under the resolutions of the 30th of November, 1830, and 11th of March, 1831. That he ascertain whether expenditures of the same character have been made at any of the offices, and if so, procure similar statements thereof, with the authority on which they were made. That the said resolutions be rescinded, and no further expenditures be made under the same."

These resolutions were postponed on the motion of one of the directors, for the purpose of introducing a substitute for them, by the vote of all present except ourselves, and one other member of the board. The resolution substituted was as follows: "Resolved, That the board have confidence in the wisdom and integrity of the president, and in the propriety of the resolutions of the 30th of November, 1830, and 11th of March, 1831, and entertain a full conviction of the necessity of a renewed attention to the object of those resolutions; and that the president be authorized and requested to continue his exertions for the promotion of said objects."

Viewing this as indicating an intention, (which was, indeed, avowed,) to continue and even extend the system of lavish expenditure, and to authorize disbursements, the particulars of which could not be clearly ascertained, either by the board or its constituents; and regarding it also as evincing a desire to encounter our remonstrances against the continuation of such a system, by a reference to the personal character and motives of the president of the institution, (which were not drawn into discussion or question by us) we offered as an amendment, the following resolutions:

"Resolved, That while this board repose entire confidence in the integrity of the president, they respectfully request him to cause the particulars of the expenditures, made under the resolutions of the 30th of November, 1830, and 11th of March, 1831, to be so stated that the same may be readily submitted to and examined by the board of directors and the stockholders. Resolved, That the said resolutions be rescinded and no further expenditures be made under the same."

This amendment met with the same fate as our previous resolutions, being rejected by the same vote, and the resolution offered as a substitute was passed.

These, sir, are the circumstances attending the best examina-

tion we have been able to make, in regard to the matters referred to us, by your letter of the 3d inst. Should they not prove sufficiently minute, or our report sufficiently explicit, we must infer from the course pursued by the board, when our resolutions were submitted to them, that a more exact statement can only be obtained, by an agent directly authorized by the executive.

We have the honour to be, &c.

H. D. GILPIN,
JOHN T. SULLIVAN,
PETER WAGER,
HUGH M'ELDERRY.

No. 5.

To the President of the United States.

Philadelphia, 3d September, 1833.

Sir,—

In compliance with your request, communicated to Mr. Gilpin, we have the honour to report to you the late proceedings of the board of directors of the Bank of the United States, on the subject of a reduction of the business of the institution.

Some time since, the following resolution was adopted :

"Resolved, That the committee on the state of the bank be instructed to inquire into the expediency of making a gradual reduction in the accommodation paper of the bank, and to report to the board a scale on which such reduction shall be made."

We had been constantly looking for a report in pursuance of these instructions, with such views as to the best mode of curtailing the business of the institution, as the necessary inquiries of the committee would enable them to give. No report, however, was made : but on the 13th of August, the following resolutions were presented, with a request that they might be immediately acted on :

"Resolved, That for the present, and until the further order of the board, the amount of bills discounted shall not be increased at the bank and the several offices.

"Resolved, That the bills of exchange purchased at the bank and all the offices except the five western offices, shall not have more than ninety days to run.

"Resolved, That the five western offices be instructed to purchase no bills of exchange, except those payable in the Atlantic cities, not having more than ninety days to run—or those which

may be received in payment for existing debts to the bank and the offices, and then not having more than four months to run."

We had received no notice of the course it was thus proposed to adopt; and no interchange of opinions or examination of facts had occurred, at any meeting of the board, which enabled us, as we thought, to come at once to a decision. We stated therefore, that while we concurred entirely in the propriety and expediency of reducing the business of the institution, we were not prepared to say that the course suggested was the best for effecting that object. That in our opinion it was a matter worthy of the deliberate reflection of the whole board, with a view to adopt a plan which might be adhered to without fluctuation, which would bear equally on all parts of the United States, which would have relation to the loans of all descriptions, which would be least oppressive to the debtors of the institution, and which would affect least injuriously, the existing financial and commercial operations of the community. We added also, that the resolution to which we first referred, had already instructed a committee of the board to report a plan for reduction to a certain extent, and that their views and inquiries would be of manifest utility in deciding on the measure now proposed. Under these circumstances, and with these objects, we asked that the resolutions now offered might be postponed for one week, or even until the next meeting of the board, it being understood that the subject should then be definitely acted upon. Our request was, however, refused, and the resolutions were passed, no one voting in favour of this short postponement except ourselves and one other member of the board.

Having subsequently reflected on the resolutions thus hastily adopted, we were all of opinion, that they would operate partially, and that a system of reduction should and might be founded on a broader and more equal basis. Entertaining these sentiments, the following resolutions were offered at the next meeting of the board, on the 16th of August.

"Whereas a resolution was adopted on the 7th of May last, instructing the committee on the state of the bank, to report to the board a scale of reduction, in the business of the institution, and no report has been made in pursuance thereof. And whereas a resolution, passed at the last meeting, which places certain restrictions on the business of the institution, confines the same to five of the western offices,

"Resolved, That the committee on the state of the bank, be instructed to report to the board, at as early a day as possible, a system for the gradual reduction of the business of the institution throughout all sections of the country, having regard to the

interests of the stockholders, the debtors of the bank, and the community in general."

As soon as these resolutions were presented, the president asked whether the board would consider them;—it was decided at once in the negative by the votes of all present, except those of the directors on the part of the United States and one other member of the board. No reason was assigned by any director, either in regard to the resolution itself, or in defence of the unusual and summary manner in which it was thus disposed of.

We remain, with great respect,

Your obedient servants,

H. D. GILPIN,
JOHN T. SULLIVAN,
PETER WAGER,
HUGH M'ELDERRY.

No. 6.

To the Secretary of the Treasury.

Philadelphia, 4th October, 1833.

Sir,

At the meeting of the directors of the Bank of the United States, on the 1st instant, several resolutions were adopted, indicating the course to be pursued on account of the removal of the public deposits. As these resolutions appeared to us, in many respects, important, we requested early the next day, from the president of the bank, a copy of them to transmit to you. This was not given to us, but we were informed our request would be laid before the board, which was this day done. A motion was made to comply with it, but was not adopted, and eventually the motion, with the request itself, was referred to a committee, appointed some time since, to take into consideration what measures it was proper to adopt in consequence of the removal of the public deposits. When and how that committee will report, we cannot of course say.

We have always believed it our duty as public directors—and have, as you are aware, asserted and exercised our right—fully to examine and report to the president and the secretary of the treasury, whatever we have thought it proper they should be made acquainted with, in the general accounts and proceedings of the institution. That right we are not disposed to relinquish; but having been thus formally refused the copies we wished to transmit, we shall be glad to receive any intimation of the mode

you think best for procuring them; if it is desirable for you to know more correctly the contemplated measures.

Very respectfully, yours, &c.

H. D. Gilpin,
Peter Wager.

No. 7.

To the Secretary of the Treasury.

Philadelphia, 8th October, 1833.

Sir,

At the meeting of the Board of Directors of the Bank of the United States, held this morning, the committee to whom was referred the request for a copy of the resolutions passed on the 1st instant, for the purpose of transmitting them to you, reported a resolution refusing the request. Accompanying it were the reasons on which the refusal was founded. They were read at the board, and the refusal was agreed to, with no dissenting voices but our own. Immediately on the adjournment of the board, and when most, if not all of the directors who had been at the meeting, were still present, one of us requested to look at the report just read, and then in the hands of the cashier, having, from the single reading, an imperfect notion of its contents. This request was refused, the officer stating that he did not feel himself at liberty to grant it without an order of the board; a course which we perceived was sanctioned by the president.

The same committee, consisting of seven members, having been specially appointed to take into consideration the measures necessary to be adopted in consequence of the removal of the public deposits, also reported a resolution, which (so far as our recollection serves us, from hearing it read) gave a general authority to the committee on the offices, to direct such measures, for the reduction of the business of the institution, as they should deem best. We requested that if such an extensive power was given to a committee, its proceedings should at least be reported to the board. This was refused by the vote of all present but ourselves and one other director.

It is proper to add, that at the late appointment of the usual committees, we have all been again excluded from them.

After this detail of incidents, and recollecting all that has occurred heretofore, you will probably agree with us, that the directors on the part of the government, at the board of the Bank of the United States, are utterly unable to perform the services

which are due to their constituent. Their acts and sentiments as representative agents are uniformly disregarded. Though their duties are wholly of a public character, and should be so considered, yet the systematic course of a majority, precludes all hope that these duties can be discharged, and at the same time exposes us to much embarrassment and unpleasant collision. We have no wish to avoid their performance, so far as it is in our power. In that we have long persevered against many obstacles; and no opposition to our course will hinder us from still persevering. But we are reluctant to sit by and witness measures against which we remonstrate in vain. We cannot quietly see our position as public agents rendered useless—and if we are to continue our exertions, we are desirous to be strengthened by such additional instructions, and aid, as you may think the circumstances require.

With these views, however, we would still express our readiness and determination to abide by whatever may be the result of your reflections on the subject.

Very respectfully, &c.,

H. D. Gilpin,
Peter Wager,
John T. Sullivan.

It is proper to annex the subsequent proceedings of the majority of the board of directors of the Bank of the United States.

December 13, 1833.

Mr. Sullivan offered the following resolution.

"Whereas, in pursuance of instructions from the president of the United States, a report, bearing date the 19th August, 1833, was made to him by the public directors.

"And whereas it is stated therein, that large expenditures were made to the proprietors of newspapers and periodical journals and printers.

"And whereas it is stated therein, that owing to the manner in which the said account has been kept, the particulars of it cannot be clearly ascertained therefrom.

"And whereas, in the report of a committee of this board, to whom was referred the said report to the president, it is alleged that the same contains 'errors,' 'misrepresentations,' and 'misstatements,' some of which the said committee endeavour to point out.

"And whereas, *a full investigation and statement of the said account will at once exhibit the correctness or incorrectness of the said allegations.*

"Therefore, Resolved, That a committee of six members of this board be appointed, three of whom shall be public directors, for the purpose of examining the expense account of the institution, under the head of stationary and printing, from 1st July, 1829, to 1st July, 1833. That they state the nature and amount of all expenditures therein, the persons to whom payments were made, the number and names of the documents printed, and the cost of distribution and postage—also, the nature and amount of the current expenses of the bank for printing and stationary—also, any extraordinary expenditures under that head for new bank notes or other purposes—and particularly enumerate any items of the said account which are erroneously stated in the said report of the public directors, if any there be.

"That the said committee obtain and include a statement of the particulars of the expenditures on orders of the president, referred to in the said report, of the persons paid, the amount, and the services performed.

"That the said committee prepare the said statement as soon as possible, in such form as that it may be submitted to the public and stockholders."

The majority *refused to consider* these resolutions, by the vote of all present but the public directors and one other.

The following protest was then presented, with a request that the same should be entered on the minutes. This was refused by the vote of all present but the public directors.

A PROTEST.

The subscribers, directors of the Bank of the United States, appointed by the president, with the advice and consent of the senate, PROTEST against the acts of the majority of the board of directors of that institution,

1. Because, by a systematic mode of proceeding, gradually introduced, and by alterations of the by-laws, they have taken from the board its most important functions, and conferred them on committees, appointed by the president, and not required to report.

2. Because the acts of these committees and the board, have been repeatedly in violation of the spirit, if not the letter of the charter.

3. Because, by an organized series of opposition, commencing immediately after we became members of the board, they have deprived us of our rights as public officers, and prevented our participation in the most important business of the institution.

4. Because, though called on, they have refused to remedy these things.

5. Because they have permitted and sanctioned the expenditure of large sums, under the head of stationary and printing, the accounts of which are so kept as not properly to exhibit the particulars thereof, and, though called on, they have refused to have them so stated by the cashier.

6. Because they have permitted and sanctioned the expenditure of large sums, under the same head, on orders of the president, without any account of the manner in which, or the persons to whom they were paid, and, though called on, they have refused to request him to cause them to be so stated.

7. Because they have, in a report sanctioned by them on the 3d of December 1833, alleged that the report of the public directors to the president of the United States, on the 19th of August 1833, contains "errors," "misrepresentations," and "misstatements," some of which they have endeavoured to point out.

8. Because in fact the allegation so made is utterly unfounded, as would appear upon an impartial examination, and full exhibition of the said account.

9. Because *they have refused to adopt a proposition submitted by us*, to appoint a committee consisting of three of their own number and three of the public directors, *for the purpose of examining the said account*, ascertaining whether any items were erroneously stated in the said report, and preparing a statement of the whole, in such form as that it may be submitted to the public and the stockholders.

H. D. Gilpin,
John T. Sullivan,
Peter Wager.

December 13*th*, 1833.